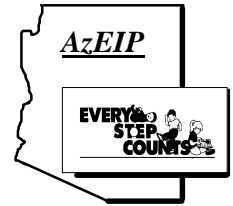


Chapter 9



Financial Matters

Arizona Early Intervention Program

Table of Contents

| <u>Section</u> | <u>Page</u> |
|--|-------------|
| 9.0.0 Authority | 2 |
| 9.1.0 Financial Responsibilities for AzEIP Participating Agencies | 2 |
| 9.2.0 Federal Funds Available under IDEA, Part C | 2 |
| 9.3.0 System of Payments | 3 |
| 9.4.0 Inability Pay | 13 |
| 9.5.0 Program Income | 14 |
| 9.6.0 Coordination with Other Funding Sources | 14 |
| 9.7.0 Contracting or Otherwise Arranging for Services | 14 |

9.0.0 Authority: 20 U.S.C. §§1432, 1435, 1437-1438, 1440; 34 C.F.R. §§303.143-144, 173, 175, 520-528, 560

9.1.0 Financial Responsibility for AzEIP Participating Agencies

9.1.1 Policy

1. Each AzEIP Participating Agency will maintain eligibility criteria as set forth in state and federal law and policy.
2. If a child meets the eligibility criteria for an AzEIP Service Providing Agency and AzEIP, the AzEIP Service Providing Agency is financially responsible for providing and/or arranging for the provision of early intervention services, in accordance with IDEA, Part C requirements, AzEIP policies and procedures, relevant Intergovernmental Agreements, and state law.
3. DES/AzEIP is responsible for the general administration and oversight of programs and activities in the Arizona Early Intervention Program and monitoring the programs and activities used by Arizona to carry out the early intervention system, whether or not these programs or activities are receiving assistance from IDEA, Part C.
4. If DES/AzEIP, in resolving a dispute, determines that the assignment of agency financial responsibility was inappropriately made, DES/AzEIP shall:
 - A. reassign the responsibility to the appropriate agency; and/or
 - B. make appropriate arrangements for reimbursement of any expenditures incurred by the agency originally assigned this responsibility.

9.2.0 Federal Funds Available under IDEA, Part C

9.2.1 Policy

1. IDEA, Part C funds will be used to pay for the following:
 - A. activities, functions and services authorized under IDEA, Part C, including administration, maintenance and implementation activities, direct services, related activities by other agencies, and support for the Interagency Coordinating Council.
 - B. early intervention services that an eligible child needs, but is not currently entitled to from other federal, state, local, or private sources.
2. IDEA, Part C funds will not be used for the following:
 - A. to pay for services that are to be paid by another public or private source, including any medical program administered by the Secretary of Defense, but for the enactment of IDEA, Part C.
 - B. to supplement the level of state and local funds expended for AzEIP eligible children and their families, and in no case will supplant those state and local funds.
3. IDEA, Part C funds will not be commingled with state funds, meaning deposited or recorded in a general account without the ability to identify each specific fund source.

4. No child will be denied or have early intervention services delayed due to disputes between agencies regarding financial or other responsibilities. If necessary to prevent delay in receipt of appropriate early intervention services to an eligible child or child's family, IDEA, Part C funds may be used to pay the provider of services, pending reimbursement from the agency or entity that has ultimate responsibility for the payment.

9.3.0 System of Payments

9.3.1 Definition of Responsible Person

9.3.1.1 Policy

1. For purposes of the Financial Matters policy, a "responsible person" is defined as (a) the biological or adoptive parent(s) or (b) the guardian(s) of a child enrolled in the Arizona Early Intervention Program.
2. AzEIP Service Providing Agencies are those state agencies identified in A.R.S. §8-652 that provide early intervention services under IDEA, Part C: Arizona Department of Economic Security and the Arizona State Schools for the Deaf and the Blind. The Arizona Department of Economic Security provides early intervention services through the DES, Arizona Early Intervention Program (DES/AzEIP) and the DES, Division of Developmental Disabilities (DES/DDD).

9.3.2 Private Insurance

9.3.2.1 Policy

1. The AzEIP Service Providing Agencies, or their designated contractors or subcontractors, obtain the responsible person's written consent to bill private insurance for early intervention services prior to sending the child's confidential information to the insurance company for billing purposes.
2. The responsible person may decline permission to bill their insurance if s/he determines that billing insurance would result in any of the following:
 - A. a decrease in available life-time cap or any other benefit under the policy;
 - B. an increase in premiums or discontinuance of the policy; or
 - C. out-of-pocket expenses, such as the payment of a deductible amount incurred in the filing of a claim.
3. If a responsible person declines the use of private insurance, the child and family will not be denied early intervention services; the Family Cost Participation policy described in section 9.3.4 will apply to services regardless of a responsible person's consent to use insurance.
4. The AzEIP Service Providing Agencies (including their employees, contractors and subcontractors) will not collect co-pays unless required by the health plan contract between the insurer and early intervention provider. In the event that the insurance plan requires the responsible person to pay a co-pay, the amount of the co-pay will not be deducted from the responsible person's financial obligation under the Family Cost Participation policy.

5. If a family reaches the maximum allowable units or level of service covered by their private insurance for a specified period, the responsible AzEIP Service Providing Agency will pay for the remaining IFSP services, unless another fund source is identified. The Family Cost Participation policy described in section 9.3.4 applies to the AzEIP Service Providing Agency's costs for providing the early intervention services.
6. DES/DDD is required to access private insurance before using Title XIX, Arizona Long Term Care Services (ALTCS) funding for children enrolled in ALTCS. Parents of children who are ALTCS eligible must provide consent to use insurance as a condition of continued DDD eligibility and receipt of services. Should an ALTCS-eligible family decline consent to use of insurance for early intervention, the family will be served as AzEIP-only eligible by the DES/AzEIP contractor serving the region in which the family lives.

9.3.2.2 Procedures

1. The AzEIP service coordinator ensures that families are informed of the use of private insurance and the need for consent unless the family has determined that the provisions in section 9.3.2.1., number 2. apply.
2. DES/AzEIP's and DES/DDD's contractors, qualified vendors, and their subcontractors, etc., bill private insurance for early intervention services covered by insurance if the responsible person has provided written consent to use insurance.
 - A. If the insurer pays the same or more than the DES/AzEIP or DES/DDD contracted rate, the contractor/vendor is considered paid in full.
 - B. If the insurer does not pay the same or more than the DES/AzEIP or DES/DDD contracted rate, DES/AzEIP and DES/DDD pay the difference between the contracted rate and the amount paid by private insurance. The Family Cost Participation policy described in section 9.3.4 applies to the amount paid by the State, or the difference between the contracted rate and the insurance payment, which may include the amount that would have been collected as the co-pay.
 - C. If the insurer denies payment until a deductible is met, DES/AzEIP and DES/DDD will pay for services up to the contracted rate until the deductible is met, at which time the contractor or vendor will only bill DES/AzEIP or DES/DDD for the balance after the insurance payment.
3. For families served by ASDB and who have provided consent to use insurance, ASDB bills the appropriate insurance company, and tracks and collects payment.
4. Once DES/DDD eligibility is determined, DDD participates in the initial IFSP that occurs within 45-days of referral and initiates the provision of early intervention services in accordance with the IFSP, regardless of whether an ALTCS referral has been made. If at any point during the child's eligibility for AzEIP, the child becomes eligible for ALTCS, DES/DDD is required to access the responsible person/child's insurance as a provision of ALTCS eligibility. If the responsible person does not consent to the use of their insurance for early intervention services, the child will be ineligible for ALTCS and DDD services. DES/DDD will notify

DES/AzEIP within five business days if it intends to discontinue the provision of early intervention services for a child who is ALTCS eligible because the responsible person declined consent to use private insurance. DES/AzEIP will immediately notify the AzEIP Team-based Model Contractor in the family's region. Appropriate early intervention professionals from the AzEIP Team-based Model Contractor will meet with the family to revise the IFSP, and will complete the transition from DES/DDD to the AzEIP Team-based Model Contractor.

9.3.3 Public Insurance

9.3.3.1 Policy

1. The AzEIP Service Providing Agencies utilize public insurance, such as Medicaid's Title XIX, including Arizona Long Term Care System (ALTCS) and Early Periodic Screening Diagnosis and Treatment (EPSDT), to the maximum extent possible.
2. AHCCCS has established a contract with DES/DDD, in which DES/DDD (i) administers the Arizona Long Term Care Services (ALTCS) for individuals with developmental disabilities and (ii) provides targeted case management for individuals who are both DES/DDD and EPSDT eligible. Following determination of eligibility for DES/DDD, individuals are screened for referral to ALTCS. If the financial and functional screening criteria are met, the individual/responsible person is required to apply for ALTCS eligibility. If a family voluntarily refuses to cooperate in the ALTCS application process they will not be eligible for DES/DDD services. DES/DDD will notify DES/AzEIP within five business days of the ineligibility. DES/AzEIP will immediately notify the AzEIP Team-based Model Contractor in the family's region and the family and child will be served as AzEIP-only eligible. Appropriate early intervention professionals from the AzEIP Team-based Model Contractor will meet with the family to revise the IFSP, and will complete the transition from DES/DDD to the AzEIP Team-based Model Contractor.

9.3.3.2 Procedures

1. The AzEIP service coordinator coordinates all services, regardless of funding source (e.g., services funded by EPSDT and ALTCS). The AzEIP service coordinator assists the responsible person to access the early intervention services and ensure that the services are provided timely.
2. DES/AzEIP and AHCCCS established a protocol to maximize the use of Early Periodic Screening Diagnostic and Treatment (EPSDT) for AzEIP eligible children being served by the DES/AzEIP and DES/DDD.
 - A. For children initially identified by AzEIP as a child with a suspected developmental delay or disability, AzEIP will proceed with the initial planning process, including screening, evaluation, and eligibility

determination. If the child is AzEIP eligible, the IFSP team will develop the initial IFSP, and the AzEIP service coordinator will work with the AHCCCS Health Plan to determine medical necessity for the EPSDT covered services on the IFSP. As described in the established protocol, the AHCCCS Health Plans are encouraged to contract with AzEIP providers and, to the extent possible, authorize the AzEIP providers to provide medically necessary services on the IFSP. AHCCCS Health Plans may also use their own providers to provide medically necessary services.

- B. For children not yet referred to AzEIP and whose parents or physicians have a developmental question or concern, the AHCCCS health plan will facilitate appropriate evaluation and service provision through its provider network. If evaluation indicates that a child may be a child with a suspected developmental delay or disability, the AHCCCS Health Plan and/or doctor will refer the child to AzEIP. If the child is AzEIP eligible, the IFSP team will develop the IFSP, and the AzEIP service coordinator will work with the AHCCCS Health Plan to determine medical necessity for the EPSDT covered services on the IFSP. Service provision may be through the AzEIP provider or the AHCCCS Health Plan provider network, as described in 2A above.
3. Once DES/DDD eligibility is determined, DDD participates in the initial IFSP that occurs within 45-days of referral and initiates the provision of early intervention services in accordance with the IFSP, regardless of whether an ALTCS referral has been made. If at any point during the child's eligibility for AzEIP, the child becomes potentially eligible for ALTCS, DES/DDD is required to facilitate determination of ALTCS eligibility and, if eligible, access any available private insurance for payment of early intervention services. If the responsible person does not submit documentation for ALTCS eligibility, or consent to use insurance for early intervention services, the child will be ineligible for ALTCS and DDD services. The child and family will be referred to DES/AzEIP for continuation of early intervention services as described in section 9.3.2.2 (4).

9.3.4 Family Cost Participation

9.3.4.1 Policy

1. The AzEIP Service Providing Agencies implement a Family Cost Participation Policy for responsible persons of children enrolled in AzEIP. This policy does not apply to the responsible person(s):
 - A. of a child(ren) enrolled in early intervention through DDD and eligible for the Arizona Long-Term Care System (ALTCS); or
 - B. of a child(ren) in the legal custody of DES, a tribe, or another state's child welfare agency.
2. Fees will not be charged for services that a child is required to receive at no cost to the family under IDEA, Part C. Fees will not be charged for the following services:

- A. child find;
 - B. evaluation and assessment;
 - C. service coordination; and
 - D. administrative and coordination activities related to:
 - (1) development, review, and evaluation of IFSPs;
 - (2) transition conferences;
 - (3) implementing procedural safeguards, including dispute resolution; and
 - (4) teaming activities on behalf of a family, as described in DES/AzEIP contracts providing Team-Based Model services.
3. The following early intervention services, as defined in Part C of IDEA, will be subject to cost participation:
- A. assistive technology devices and assistive technology services;
 - B. audiological services;
 - C. family training, counseling, and home visits;
 - D. health services necessary to enable the infant or toddler to benefit from the other early intervention services;
 - E. medical services only for diagnostic or evaluation purposes;
 - F. nursing services;
 - G. nutritional services;
 - H. occupational therapy;
 - I. physical therapy;
 - J. psychological services;
 - K. special instruction;
 - L. speech-language pathology;
 - M. social work services;
 - N. vision services; and
 - O. any other service paid for by the AzEIP Service Providing Agency and provided in accordance with IDEA and the IFSP.
4. Fees are applied only to services subject to cost participation and provided by an AzEIP Service Providing Agency. Fees are not applied to the cost of services identified in 3 above that are paid by Medicaid, private insurance, or other fund sources.
5. The amount that a responsible person is obligated to pay is based on (a) the income of the responsible person(s) and the infant or toddler, (b) family size, relative to the Federal Poverty Guidelines, and (c) the type, frequency, and cost of early intervention services provided to the AzEIP eligible child and family.
6. Income is the Federal Adjusted Gross income as defined by the United States internal revenue code, as reported on the most recent Federal tax return, or other proof of income (see section 9.3.4.2, number 5.), as determined appropriate by DES.
7. Family size equates to the number of exemptions as defined by the United States internal revenue code and, if a federal tax return was filed, as claimed on the federal tax return.

8. The responsible person(s) must provide the required financial information for the responsible person and the infant or toddler receiving early intervention services when requested by DES or ASDB, at least annually, and more frequently, if requested. The information is subject to verification; the AzEIP Service Providing Agency may reverse or amend the amount assessed based on such verification. If the responsible person(s) refuses or fails to provide the required financial information, the family's cost participation will be 100 percent of the cost to the AzEIP Service Providing Agency(ies).
9. DES may identify specific programs, such as Women, Infants and Children (WIC) or Supplemental Nutrition Assistance Program or specific programs through the Arizona Health Care Cost Containment System (AHCCCS), with equal or more restrictive income requirements; AzEIP Service Providing Agencies may accept documentation of current eligibility and enrollment in these identified programs as documentation that the family does not meet the income criteria to participate in family fees. The information is subject to verification; the AzEIP Service Providing Agency may reverse or amend the amount assessed based on such verification.
10. A fee schedule, based on 200 percent of the Federal Poverty Guidelines (FPG), has been established by DES. Federal Poverty Guidelines are the official income level for poverty established by the United States Department of Health and Human Services. Additional information about Federal Poverty Guidelines (a.k.a. Federal Poverty Levels), can be found at <http://aspe.hhs.gov/poverty/10poverty.shtml>. Fee schedules and rate schedules (cost for services) will be available and updated on each AzEIP Service Providing Agency website and available from the AzEIP service coordinator.
11. The percentage of the AzEIP Service Providing Agency's cost that the responsible person will be obligated to pay (also called the percent to pay) will be calculated based on family size and the income of the responsible person(s) and the infant or toddler relative to the fee schedule. The responsible person(s)' and the infant or toddler's percent to pay will be applied to the AzEIP Service Providing Agency's cost for services that are subject to fees, including services provided by employees, contractors, vendors, and subcontractors.
12. A responsible person(s) and the infant or toddler with an income at or below 199 percent of the FPG will not be charged a percent of the AzEIP Service Providing Agency's cost for early intervention services (i.e. percent to pay will be zero.) A responsible person(s) and an infant or toddler with an income at or above 200 percent FPG will be charged a percent of the AzEIP Service Providing Agency's cost as delineated in the percent to pay table in Appendix A, to be updated annually to reflect Federal Poverty Guidelines applicable to Arizona issued each year by the United States Department of Health and Human Services.
13. If a responsible person has two or more children with disabilities, the percent to pay will be applied to the costs of the child whose services are the most expensive when:

- A. the children are between the ages of birth and eighteen years;
- B. the children are enrolled in AzEIP or a developmental disability program or services subject to cost participation through DES/DDD; and
- C. consent has been provided (if needed) to share records between agencies to confirm the information in A. and B.

When the above criteria are met, fees will only apply to the services of one child.

- 14. The responsible person(s)'s cost will not exceed the AzEIP Service Providing Agency's cost for the service.
- 15. If another funding source, such as private insurance, pays for part or all of the service(s), the percent to pay will be applied only to any remaining cost to the AzEIP Service Providing Agency. Please see sections 9.3.2, private insurance, and 9.3.3, public insurance, for additional information about insurance.
- 16. The responsible person(s) may submit a revised Financial Form, with documentation, to the appropriate AzEIP Service Providing Agency requesting a recalculation of the responsible person(s)' percent to pay based on changes in circumstances, such as income, family size, etc. If the change is supported by appropriate documentation, the recalculated percent to pay will be effective on the first of the month following the date on which the change occurred. Information is subject to verification.
- 17. The responsible person(s) may submit a written request with documentation to the appropriate AzEIP Service Providing Agency to temporarily defer or reduce costs based on hardship.
 - A. Hardship is defined as an extraordinary circumstance that affects a responsible person(s)' and infant or toddler's financial situation, such as unreimbursed medical expenses, court-mandated payments, or costs associated with the care of an elderly or sick family member who lives outside the home.
 - B. A panel with representation from ASDB, DES/AzEIP and DES/DDD will review written requests for consideration of hardship and respond within twenty (20) business days of receipt of the request. The interagency panel may:
 - (1) temporarily reduce the responsible person(s)' percent to pay;
 - (2) approve a temporary deferral of payment;
 - (3) recommend establishment of a payment plan to be developed between the AzEIP Service Providing Agency and the responsible person(s); or
 - (4) deny the request for hardship.
 - C. If the interagency panel's decision is to reduce or defer payment, the panel will determine the dates on which the reduction or deferral become effective and expire, based on the request and documentation submitted.
 - D. Information provided is subject to verification; the AzEIP Service Providing Agency reserves the right to reverse or amend a deferral or reduction of costs if financial circumstances change or are misrepresented, and, as authorized,

implement collections, intercept state tax refunds and/or lottery winnings to offset amounts due, including deferrals.

18. Failure to pay the responsible person(s)'s cost will result in termination of the early intervention services that are subject to fees. The AzEIP Service Providing Agency will provide written notice, consistent with 34 C.F.R. §303.403, prior to the termination of services. The AzEIP Service Providing Agency also provides written notice consistent with 34 C.F.R. §303.403, a reasonable time before the AzEIP Service Providing Agency refuses to initiate early intervention services to which fees apply. The Prior Written Notice/Notice of Action will describe:
 - A. the action that is being proposed;
 - B. the reasons for taking the action;
 - C. the procedural safeguards available under 34 C.F.R. §§303.401-460; and
 - C. the State complaint procedures 34 C.F.R §§303.510-512.

(See Chapter 7, *Procedural Safeguards* for AzEIP policies and procedures regarding written prior notice and dispute resolution under IDEA, Part C.)

19. A responsible person who disagrees with the AzEIP Service Providing Agency's action or decision related to Family Cost Participation, excluding the proposal to terminate early intervention services to which fees apply, may:
 - A. request a Level One review by communicating, either orally or in writing, to the AzEIP Service Providing Agency within ten (10) calendar days from the date of the AzEIP Service Providing Agency's notice of an action or decision. The AzEIP Service Providing Agency will respond to the Level One Review request in writing within ten (10) calendar days, as long as all appropriate documentation is made available by the responsible person.
 - B. If the responsible person disagrees with the Level One review decision, he/she may request a Level Two review by sending a written request to the AzEIP Service Providing Agency within thirty-five (35) calendar days of the date of the Level One decision. The AzEIP Service Providing Agency will issue a written decision within 30 calendar days from receipt of the request. The Level Two review decision is final for DES/AzEIP and ASDB. The responsible person(s) of children served through DES/DDD may exercise additional dispute resolution procedures available in DES/DDD statutes and rules.
 - C. While the decision of a Level One or Level Two review is pending, the responsible person may elect to continue receiving early intervention services on the IFSP that are subject to fees and potentially impacted by the outcome of the review. If the outcome of the review is in favor of the responsible person, the percent to pay and/or the calculation of costs will be adjusted retroactively to the time the error began. If the outcome of the review is in favor of the AzEIP Service Providing Agency, the responsible person will be obligated to pay the fees as calculated by the AzEIP Service Providing Agency.

9.3.4.2 Procedures

1. Upon referral to the Arizona Early Intervention Program, the Family Cost Participation policy is explained so that the responsible person(s) may make an informed decision regarding whether to proceed in early intervention.
2. Fees will not be charged for initial planning process activities, which include referral, screening, evaluation, and, if eligible, assessment and the development of the initial Individualized Family Service Plan.
3. At the time a child is determined eligible for the Arizona Early Intervention Program, the AzEIP service coordinator or evaluation team (employed or contracted with DES/DDD, DES/AzEIP or ASDB) will explain the Family Cost Participation policy in detail, including the process. The AzEIP service coordinator or evaluation team members will provide the Financial Information Form to the responsible person and, if needed, assist in completing the form.
4. Within ten business days of eligibility or a request from DES or ASDB (unless an extension is granted by DES or ASDB), the responsible person(s) must complete and submit the Financial Information Form with the required documentation to their AzEIP Service Providing Agency as set out on the form.
5. The required documentation is:
 - A. A copy of the responsible person(s)'s or infant/toddler's most recent Federal Income Tax Return to verify the Federal Adjusted Gross Income.
 - B. If a Federal Income Tax Return was not filed, or if the responsible person's financial status has changed, the AzEIP Service Providing Agency shall require the responsible person to submit alternate documentation of income, such as:
 - (1) the most recent W-2 for each responsible person;
 - (2) pay stubs for the last four (4) consecutive pay periods;
 - (3) U.S. Estate or Trust Tax Form 1041;
 - (4) documentation of adjusted gross income received from the last four (4) consecutive months;
 - (5) verification of unemployment;
 - (6) verification of current eligibility and enrollment in programs identified, as described in section 9.3.4.1., number 9, of the policies above; and
 - (7) other documentation as requested.
6. After receipt of the Financial Information Form and required documentation, the AzEIP Service Providing Agency will calculate the "percent to pay" based on the responsible persons(s)' Federal Adjusted Gross Income, or other income data and send the validated percent to pay to the responsible person within 5 business days of receipt.
7. For the AzEIP Service Providing Agency to determine the percent to pay when more than one child is receiving services under this policy, the responsible person

- will be asked to provide consent, if needed, for each service providing agency to share records to determine which child's services will be billed.
8. If the responsible person fails or refuses to submit the Financial Information Form and documentation before the initial IFSP, the IFSP team will develop the IFSP as described in the next paragraph.
 9. The responsible person(s), AzEIP service coordinator, and other IFSP team members develop the initial IFSP within the required 45-day timeline. The team identifies outcomes and services, including service types and frequencies. The IFSP will identify the services to which Family Cost Participation applies. The IFSP team will confirm that the responsible person has received information about the AzEIP Service Providing Agency's cost for each IFSP service subject to Family Cost Participation, and, if not, provide it to the responsible person.
 10. The responsible person(s) may multiply (a) the percent to pay described in number 7. above and (b) the cost for services described in number 9. above to determine the total cost prior to any insurance or other fund payment. If the responsible person(s) requests assistance, the service coordinator and/or other IFSP team members may assist in calculating the total cost to the family.
 11. By consenting to the initiation of IFSP services, including services to which Family Cost Participation applies, the responsible person is agreeing to pay his/her portion of the AzEIP Service Providing Agency's cost or, if Financial Information is not provided, pay 100 percent of the AzEIP Service Providing Agency's cost.
 12. If the responsible person(s) does not know the percent to pay at the time of the IFSP meeting or does not agree to pay the cost for services:
 - A. the responsible person(s) may decline consent to some or all of the early intervention services or consent to a lesser frequency of the services to which a fee applies;
 - B. the responsible person may receive only services that are available at no cost;
 - D. the responsible person(s) may request a Level One review of the Family Cost Participation calculation as described in 9.3.4.1, number 19, of the policies above, if he/she believes an error has been made; and/or
 - E. the responsible person(s) may submit a written request for consideration of hardship as described in section 9.3.4.1, number 17. of the policies above.
 13. If the responsible person(s) would like to change (add/reduce/terminate, etc.) the early intervention services provided, including type and frequency, the responsible person(s) may:
 - A. contact the AzEIP service coordinator who will reconvene the IFSP team to review, and possibly amend the IFSP, including outcomes and services; or
 - B. contact the AzEIP service coordinator to withdraw consent, in writing, for the services that s/he wishes to end or reduce.

14. When a request for hardship has been filed, the interagency DES/AzEIP, DES/DDD and ASDB panel:
 - A. reviews the request;
 - B. makes a decision to:
 - (1) temporarily reduce the responsible person(s)' percent to pay,
 - (2) approve temporary deferral of payment,
 - (3) recommend establishment of a payment plan to be developed between the AzEIP Service Providing Agency and the responsible person(s) or
 - (4) deny the request for hardship.
 - C. sends the written decision to the responsible person(s) within the required timelines.
15. After services begin, the DES Office of Accounts Receivable and Collections (DES/OARC) will send a monthly statement to the responsible person(s) of children served by DES/DDD or a DES/AzEIP contractor. ASDB will send a monthly statement to the responsible person of children served by ASDB. The statement identifies the month and the amount owed, any outstanding balance, and when payment is due. The responsible person(s) submits payment to the agency that issued the monthly statement (i.e. DES/OARC or ASDB), and that agency will track payment(s).
16. If payments are not submitted after two months from the date of the first statement, the AzEIP Service Providing Agency will notify the responsible person of the amount past due and the potential termination of services if payment is not made. DES/OARC or ASDB will address any collection activities, including reviewing available payment options. If payment is unresolved, OARC or the ASDB billing agent will notify the AzEIP Service Providing Agency that services should be terminated for lack of payment.
17. The AzEIP Service Providing Agency may terminate the early intervention services that are subject to fees for failure to pay in full for three consecutive months, or, if a payment plan has been established, failure to bring the account into good standing within 6 months of the last, complete payment. The AzEIP Service Providing Agency will provide written notice, consistent with 34 C.F.R. §303.403, prior to the termination of services.
18. A responsible person may request a review pursuant to section 9.3.4.1, number 19 if there is a disagreement with the calculation, an invoice, and/or the summary of services.

9.4.0 Inability to Pay

9.4.1 Policy

1. Early intervention services shall not be denied if a responsible person has an “inability to pay.”
2. “Inability to pay” is defined as income less than 200 percent of the Federal Poverty Guidelines for Arizona or demonstration of hardship.

9.5.0 Program Income**9.5.1 Policy**

1. DES/AzEIP does not treat proceeds from public or private insurance as program income for the purposes of 34 C.F.R. §80.25 (program income). Proceeds from private insurance are neither state nor federal funds for the purposes of Part C non-supplanting requirements at 34 C.F.R. §303.124 (prohibition against supplanting).

9.6.0 Coordination with Other Funding Sources**9.6.1 Policy**

1. DES/AzEIP, in partnership with the AzEIP Participating Agencies and the ICC:
 - A. identifies and coordinates available resources for early intervention services, including federal, state, local, and private resources.
 - B. updates information on funding sources for early intervention services resulting from changes in administrative rules or legislation.
2. Federal funding resources include monies available under:
 - A. Title V of the Social Security Act (Maternal & Child Health);
 - B. Title XIX of the Social Security Act (Medicaid/AHCCCS & EPSDT);
 - C. The Head Start Act;
 - D. Parts B and C of IDEA;
 - E. The Developmental Disabilities Assistance and Bill of Rights Act (P.L. 94-103); and
 - F. Other Federal programs.

9.7.0 Contracting or Otherwise Arranging for Services**9.7.1 Policy**

1. AzEIP Service Providing Agencies establish contracts, vendor agreements, Intergovernmental Agreements, Interagency Service Agreements, and Memoranda of Understanding in accordance with Arizona Revised Statutes and Arizona Rules, including Arizona's Procurement Code and any applicable federal law to ensure an adequate provider network to provide early intervention services.
2. A contractor/vendor with an AzEIP Service Providing Agency shall provide early intervention services to children who are AzEIP eligible and their families according to the terms and conditions of the contract (including applicable state and agency-specific Terms & Conditions), all applicable federal and state laws, including IDEA, Part C, and AzEIP policies and procedures.
3. The AzEIP Service Providing Agencies shall ensure the regular review, at least annually, of contractual obligations and shall amend those obligations as necessary. Contractors may be required to submit regular reports (such as monthly, quarterly, or annually) to the AzEIP Service Providing Agencies on the performance or fulfillment of contractual obligations.

4. Upon review of contractual obligations, an AzEIP Service Providing Agency may take the following action(s) when it finds that a contractor does not comply with the terms and conditions of the agreement, including any and all applicable laws, regulations, or policies. Those actions may include:
 - A. requesting the submission of additional information and/or requiring more frequent program reporting;
 - B. conducting focused monitoring visits and providing technical assistance, as discussed in AzEIP's General Supervision Policy;
 - C. implementing a corrective action plan, including timelines for implementation. See AzEIP's General Supervision Policy;
 - D. revising contract terms and provisions when necessary and with appropriate notice;
 - E. suspending or terminating the contract in whole or in part due to the failure of the contractor to comply with any term or condition of the contract. Written notice of termination will be provided;
 - F. offsetting against any sums due the contractor, any expenses or costs incurred by the AzEIP Service Providing Agency, or damages assessed by it concerning the contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages;
 - G. implementing other dispute resolution procedures provided by contract, such as arbitration;
 - H. imposing other remedies provided by law;
 - I. withholding or reducing funds to offset any reimbursement made for any ineligible expenditures not refunded to the agency by the program; and
 - J. withholding or reducing payments for noncompliance issues including, but not limited to the following:
 - (1) failure to submit required program and financial reports;
 - (2) failure to respond to inquiries about data on reports within the specified timelines;
 - (3) failure to address required corrective actions resulting from monitoring activities.